

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF       )  
CHESAPEAKE UTILITIES CORPORATION       )  
FOR APPROVAL OF A CHANGE IN ITS       )       PSC DOCKET NO. 07-299  
ENVIRONMENTAL RIDER RATE TO BE       )  
EFFECTIVE DECEMBER 1, 2007       )  
(FILED NOVEMBER 1, 2007)       )

**ORDER NO. 7317**

**AND NOW**, to-wit, this 20<sup>th</sup> day of November, A.D. 2007;

**WHEREAS**, in PSC Order No. 4104 (Dec. 19, 1995) entered in PSC Docket No. 95-73, the Commission authorized an annually adjusted surcharge mechanism to allow Chesapeake Utilities Corporation ("Chesapeake") to recover the expenses it has or will incur for remediation of environmental damage liabilities; and

**WHEREAS**, on November 1, 2007, Chesapeake made application to the Commission for approval of a decrease in the Environmental Rider ("ER") rate (resulting in an increased credit to customers) to be effective on December 1, 2007, with such rate to continue until changed by further Order of the Commission; and

**WHEREAS**, the Commission having determined, pursuant to 26 Del. C. §§ 304 and 306(a)(2), to permit the proposed ER rate to become effective on and after December 1, 2007, on a temporary basis, subject to refund, pending the completion of full evidentiary hearings (scheduled for the February 5, 2008 Commission meeting) concerning the lawfulness, justness, and reasonableness of the proposed rate decrease and a final decision of the Commission; now, therefore,

**IT IS ORDERED:**

1. That, pursuant to 26 Del. C. §§ 304 and 306(a)(2), by the affirmative vote of not less than three (3) Commissioners, the tariff filing made by Chesapeake Utilities Corporation on November 1, 2007, establishing a new Environmental Rider credit of \$0.0053 per Ccf (an increase in the credit of \$0.0031 per Ccf from the prior credit of \$0.0022 per Ccf) is hereby approved and permitted on a temporary basis only, subject to full and prompt refund, and effective for service rendered on and after December 1, 2007, and pending a final decision of the Commission.

2. That Ruth Ann Price is designated as Hearing Examiner for this docket for the purpose of granting or denying petitions seeking leave to intervene in this matter, under Rule 21 of the Commission's Rules of Practice and Procedure.

3. That Chesapeake Utilities Corporation shall give public notice of the filing of this application and of the scheduled evidentiary hearing by publishing notice in the form attached hereto as Exhibit "A" in two-column format, outlined in black, in the legal classified sections of The News Journal and Delaware State News newspapers on or about November 29, 2007. Proof of such publication shall be filed with the Commission on or before the date of the evidentiary hearing(s) in this matter.

4. That Chesapeake Utilities Corporation is hereby advised that the cost of this proceeding will, under the provisions of 26 Del. C. § 114(b)(1), be charged to the utility.

5. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

**E X H I B I T   "A"**

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**P U B L I C   N O T I C E**

**TO:     ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES  
         CORPORATION AND ANY OTHER INTERESTED PERSONS**

Pursuant to the environmental remediation recovery mechanism approved by the Delaware Public Service Commission ("the Commission") in PSC Order No. 4104 (Dec. 19, 1995) in PSC Docket No. 95-73, Chesapeake Utilities Corporation ("Chesapeake") has filed an application proposing to decrease the Environmental Rider ("ER") rate from a credit of \$0.0022 per Ccf to a credit of \$0.0053 per Ccf. Such new ER rate would be effective for services provided on and after December 1, 2007. According to Chesapeake, the new ER rate results in a decrease of 0.2 percent or a \$0.38 decrease in gas billings for an average monthly winter residential heating customer using 120 Ccf.

At its meeting on November 20, 2007, the Commission permitted the proposed ER decrease to take effect on December 1, 2007, on a temporary basis, pending a public evidentiary hearing and a final decision of the Commission. The Commission's action in this matter will be based upon evidence presented at such hearing, which will be conducted by the Commission on February 5, 2008 at 1:00 PM at 861

Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904.

Any person or group who wishes to formally participate as a party to this Docket (PSC Docket No. 07-299) must, in accordance with Rule 21 of the Commission's Rules of Practice and Procedure, petition the Commission for, and be granted, leave to intervene. To be timely, all such petitions must be filed with the Delaware Public Service Commission on or before December 21, 2007. Petitions received thereafter will not be considered except for good cause shown. Ten copies of any Petition to Intervene shall be filed with the Commission at the above address. A copy of any Petition shall also be served, by mail or other form of delivery, on Jennifer A. Clausius, Manager of Pricing and Regulation, Chesapeake Utilities Corporation, 350 South Queen Street, Dover, Delaware 19904. Copies of the Application, the proposed revised tariff sheets, and supporting materials filed by Chesapeake in this docket are available for public inspection at the Commission's Dover office at the address set forth above.

Any individual with disabilities, who wishes to participate in these proceedings, or to review these filings, should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, by telephone (including Telecommunications Relay Service), or otherwise. The Commission's toll-free telephone number in Delaware is (800) 282-8574. Persons with questions concerning this application may contact the Commission by either Text Telephone or by regular telephone at (302) 739-4333. Questions may also be addressed to the Commission Staff by Internet e-mail to [pamela.knotts@state.de.us](mailto:pamela.knotts@state.de.us).